

Development Practices at University Foundations

An Honors Thesis (HONR 499)

by

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Muncie, Indiana

April 2017

Expected Date of Graduation

May 2017

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Abstract

The purpose of this paper is to examine the organizational structures and employee roles common to university foundations. Bureaucratic and matrix structures are identified along with how they operate as organizations evolve to meet their work demands. Common functional areas, and their corresponding roles, found in Mid-American Conference, a public and private Indiana institution's foundation are also further studied. Finally, an analysis was completed into determining how to prepare for university fundraising roles and job performance measurement to be expected.

Acknowledgements

First, I would like to give thanks to my thesis advisor, Dr. Ronda Smith. Thank you for letting me be your BSU Honors Thesis guinea pig and sticking with me for every step in this process. I appreciate your patience, guidance, feedback, and reassurance – I could not have asked for a better project advisor.

Thank you to the interviewees for your time and thoughts. With your additional perspectives and insight I have gained a broader view of higher education fundraising, and the many challenges and benefits that come with the work. Through you all, I have also broadened my professional network of supporters and guides.

Many thanks also to my supportive family and friends. Without your constant words of encouragement, and deadline reminders, I am not sure I would have completed the project with as much composure.

Finally, thank you to Ball State University and the Miller Scholars Program for providing me the opportunity to be a recipient of philanthropic dollars through academic scholarship, but also allowing me to find the personal desire and importance in giving back to this institution as well.

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Process Analysis Statement

As I was determining what to focus on for my senior thesis, I knew I had to have a sincere interest in the topic. I found my topic as I reflected on my leadership and personal growth experiences during my four years in a student-run fundraising organization at Ball State; I knew my thesis would be on the topic of fundraising. After serving as a non-profit foundation intern for two summers I learned that not only did I have a sincere interest in philanthropy – I wanted a career in it. Knowing that post-graduation I would look for employment at a university foundation, I was able to narrow my focus as I determined what area of foundation work to look at.

Non-profits foundations can seem limitless at times. There are so many sectors, various roles, and dramatically different organization sizes. Having completed an internship in a donor relations role with FFA, an agricultural education foundation, I quickly learned that this foundation was a very narrow, yet important, niche. I also learned that I would not be at my best unless I was in a foundation sector that I had a personal connection to. This led me to engage in insightful conversations with foundation colleagues, mentors, and Ball State University Foundation professionals. I learned that there is great value and education in starting a fundraising career in higher education. As a result, I began to educate myself on the differences between higher education fundraising and other development sectors.

I reached out to Dr. Ronda Smith in the spring of 2016 asking to meet and discuss my ideas for a thesis project and any development experience she had; at this meeting she agreed to supervise my thesis. Over the first few weeks into the summer, I had a few conversations and meetings with Ball State University Foundation development officers. I expressed my interest in the field and how I was writing my senior thesis about it. After getting feedback from the

professional fundraisers and Dr. Smith on my project ideas and the limits I should set in terms the project scope, I submitted my proposal to the Honors College. After confirming that my project was not going to be too broad and would focus on the practices of within higher education foundations, my thesis proposal was approved to move forward.

Over the course of late summer and early fall, I regularly met with Dr. Smith and drafted a table of contents for the project. Early in my thesis development I took the IRB certification to allow me to gather data through interviews with university fundraising professionals. These conversations helped me gain perspective on the sector and learn more about the various roles. These conversations also helped me to narrow my focus for the project. By late fall of 2016 I had developed my final table of contents knowing that my main sections for the paper were university foundation structures and roles as well as how job performance was evaluated. These two sections allowed me to pursue my interest in university foundations and gain a better understanding of expectations of different employee roles. In the spring of 2017 I submitted an IRB application to enlist additional interviews with fundraising professionals. These conversations solidified my project topics and added more perspective to the academic research I had been using.

Overall I am very happy with my project and the path that it took. I gained knowledge and experience about researching including; handling many different databases, types of resources, and determining if a specific source was useful to my project. Through my project journey, I also gained many more contacts in the higher education fundraising sector. I am confident that I will stay in touch with many of the individuals I have met with who helped me learn more about university foundations and as a result further solidified my career aspirations.

Section 1 –Purpose

1. a. University Foundations

Foundation offices in universities exist to provide private funding and resources for their institution. They strive to create new, and maintain existing relationships with institution alumni, community members, and friends. By engaging individuals with specific programs and centers that personally relate to donors' preferences and connections, donors are more likely to continue giving back and supporting the institution in many capacities ("Foundation FAQs," 2017).

1. b. University Classifications

Colleges and universities are classified in two ways including their primary funding source and their athletic divisions and conferences which often correlate by university size. When it comes to primary funding source, universities are classified as either public or privately funded. Public institutions receive a large portion of their funding from the state, and private institutions receive no funding from the state. Classifications are also based on athletic programming within a national division. The National Collegiate Athletic Association (NCAA) deems institutions the highest division, Division 1, if the school can sponsor seven sports for men and seven sports for women. The division ranks increase in number through Division 3 as the schools can sponsor fewer sports for men and women. The NCAA also classifies institutions one step beyond the divisions into conferences. There are 32 conference groups around the nation and they are grouped together based on division ranking, regional location, and student population (*National Collegiate Athletic Association*).

Being a Ball State University student from Indiana, I selected the Mid-American Conference and exemplar schools within the state of Indiana to further study due to convenience and familiarity. The Mid-American Conference is comprised of 12 publicly funded, Division 1

institutions from the states of Indiana, Ohio, Michigan, Illinois, and New York (*National Collegiate Athletic Association*).

1. c. Fundraising Role Expectations

Fundraising involves making connections, engaging others with something they care about, and stewarding donations to support an organization's mission. Roles vary from organizational leadership, research, gift processing, fundraising, and maintaining relationships with donors. The university foundation departments and specialty functions outside of the university work together to ensure processes run smoothly and donors and their gifts are properly stewarded.

Through the progression of this project, conversations took place with various individuals who play a part in fundraising activities in universities. A development officer, college dean, and two donor relations staff were met with for this project. These different roles and their coordinating references used within the paper are identified in Table 1 of the Appendix. These conversations over job roles, organization structure, and performance management gave further context to my academic research on the fundraising profession.

Section 2. – University Foundation Organization Structure and Roles

2. a. Structure and Role Analysis

Colleges and universities maintain similar organization structures. Common structures within these institutions are bureaucratic, divisional, geographic, and matrix structures. These structures help to distribute employees by specialties and best manage responsibilities.

Bureaucratic organization structures emerged during the industrial age to meet the demand of production oriented companies. These structures enable “high productivity and increasing prosperity” (Daft, 2008, p. 24). From the bureaucratic structures, more specific organization

structures such as divisional, geographic, and matrix, evolved to meet organizations' needs as what constituted work became more social in nature.

Organizations complete their work through employees who perform roles for them. Muchinsky (2003) defines a role as "a set of expectations about appropriate behavior in a position" (p. 258). Roles relate to both the function and specialty, but due to the nature of the work employees may perform more than one role. A variety of roles are identified within university foundations and each of them play into the success of the foundation and overall institution.

2. a. i. Types of University Foundation Structures

(1) Bureaucratic

University foundations and advancement offices base their organization structure on what is around them in other university departments. Overall, universities operate in a bureaucratic fashion. That is there is a chain of command of who to report to and employees are divided into groups based on their specialty. Daft (2008) explains that "bureaucratic organizations emphasize designing and managing organizations on an impersonal, rational basis through such elements as clearly defined authority and responsibility" (p. 24). An example of a typical university organization chart is seen in Figure 1 within the Appendix.

Over time, these specialized development departments have evolved and grown in capacity of employees and specializations. The line of command expands as more employees are added. Muchinsky (2003) explains that line functions are related to individuals who work directly to meet the "major goals of an organization" (p. 246). Titles of those in line functions may include "President," "Director," "Manager." Falling below on a line of command would be staff functions, or those who accomplish work that "supports line activities" (p. 246). Titles of those

in staff functions may include “Coordinator,” and “Assistant.” For simplicity reasons, the foundations generally follow the same organization structure as their overarching institution. Due to the specialized functions of development and fundraising roles, employees often work with others outside of their functional group to best serve donors and alumni.

The goal of a university foundation is to serve both alumni and the respective institutional areas. To do that requires a lot of coordination and collaboration outside of traditional bureaucratic structures. Teams are a common way to span these boundaries in this environment. Teams form to complete jobs more efficiently and effectively. Cascio (1998) defines a team to be a “group of individuals who work together toward a common goal” (p. 267). This definition is expanded by Daft (2008) to explain that project teams are the “strongest horizontal linkage mechanism; the permanent task forces and are often in conjunction with a full-time integrator” (p. 98). Teams can be long-term or short-term depending on the project. Cascio (1998) goes on to explain that popular terms describing different types of workplace teams include “management teams, cross-functional project teams, and temporary task focuses” (267). These types of teams can be identified in various organizations that combine individuals from different functional groups for specific projects. An example of a management team can include higher-level employees working together to develop an organization’s strategies. Cascio (1998) also describes a common set of skills that characterize effective teamwork. These include: “adaptability, shared awareness of situations, performance monitoring and feedback, leadership/team management, interpersonal skills, coordination, communication, and decision-making skills” (268).

University foundations utilize teams day in and day out to accomplish goals and develop strategies. Teams forms within functional groups according to common goals along with teams forming cross-functionally. For instance, a prospect researcher can develop a list of individuals

who development officers should connect with and ask for gifts, with finally the donor relations employees following up and steward the gifts. An example of a management team within a university foundation could include a group developing priority funding areas around the institution which would involve conversations between leadership, college deans, the institution's president, and board members (College representative 1).

When asked about the dynamic team relationship between a dean and development officer, it was described that the officer has the technical knowledge of the prospective and current donors as well as the professional fundraising expertise, but the dean carries out strategy that fits the specific college or program needing funding. Ideally, the two work together to develop a perfect strategy for calling, cultivating, and proposing a large gift (College representative 2).

(2) Divisional

Daft (2008) defines divisional structure by "grouping divisions by organizational output" (p. 106). Within organizations, outputs include products, services, divisions, or major programs. University systems are based on colleges that award different degrees. At university foundations, it is typical to find development officers and their coordinating administrators grouped into divisions based on the specific college donors and alumni they work with regularly. This allows students to feel a closer relationship with their college as well as the overall university. For example, business school students and alumni are ideally being contacted by the same representative who works for the business school development, and inviting the alumni to attend similar events as other business school alumni. This lets relationships form based on commonalities and connections back to the programs donors and alumni are familiar with (College representative 1).

(3) Geographic

Another type of structure that is often seen below divisional is geographic. Daft (2008) explains that geographic structures separate customers or users by where they are located domestically or sometimes even internationally. This separation is beneficial to organizations as “each region of the country may have distinct tastes and needs” (p. 109). With this structure employees can adapt to the specific needs and cultures of the regions they specifically work with. As alumni and donor pools grow, university development officers are often assigned regions to oversee throughout the country. It is often easier to form deeper relationships with the donors and alumni when there is this division and one person becomes a familiar contact from a university foundation rather than multiple (College representative 1).

(4) Matrix

Often times in advancement offices the different functional groups will work together on developing strategy and executing projects. When this occurs, reporting relationships may cross and employees may for a short time report to more than one individual. This reporting relationship replicates more of a matrix organizational structure. Robbins and Judge (2011) state that an advantage to this would be “putting like specialists together, which minimizes the number necessary while allowing the pooling and sharing of specialized resources” (p. 208). Within university foundations, at times employees from different functional groups work alongside employees from other functional groups to focus on a project they specialize in. Earlier the difference between geographic structures and division structures were explained. At times, these two structures overlap within a development officer’s role as they may find alumni of the business college that is from a certain region of the country. When these two arrangements cross and the development officer extends their role to one that falls under separate leadership than their own, a matrix is being utilized. The reporting structure overlap is also identified in the relationship between development officers and college deans as well. Formally, development

officers report to their leadership at the university foundation. On an organization chart this is seen by the hard line between their titles. Informally though, development officers and college deans work closely together on donor relationships to form a strategic partnership. This partnership can be identified by a dotted line on an organization chart (College representative 1).

Within university fundraising, where there are strict deadlines on projects and multiple timelines happening simultaneously, there is a more emphasis on getting the right people to the right project at the right time rather than rigidly keeping every functional group separate from one another. Robbins and Judge (2011), state that with this flexibility there is the, “ability to facilitate coordination when the organization has a number of complex and interdependent activities” (p. 209). More than ever, organizations are growing more complex and working relationships must be adaptive. Pascale (1999) explain that chaos theory is being experienced more frequently in contemporary organizations, whereby organizations are becoming less linear and more interconnected.

2.a. ii. Common Functional Areas and Responsibilities

According to Robbins and Judge (2011), the functional organizational structure is best used when there are “routine operating tasks achieved through specialization, formalized rules and regulations, tasks grouped into functional departments, and centralized authority” (p 208). Due to high formalization and many rules in this type of structure, there tends to be narrower spans of control. Also due to the formalization and chain of command, there are clearer paths of communication and roles ideally providing for fewer misguided questions and responsibilities (Robbins & Judge, p. 208).

Development and advancement offices in higher education follow an annual routine in regards to events, campaigns, and visits. Associated with each of these items are routine tasks

that fall under various functions' responsibilities. Each of these functional groups prepare for, analyze, and or wrap-up items that were associated with these annual events, campaigns, and visits. Due to the groups having different responsibilities, it is most logical to group them by their function. Each group has a supervisor to report to. This person will also set deadlines, maintain mission direction, and pass information upward. This individual is higher in the chain of command because they usually have experience at the level below within the university foundation, along with more industry knowledge than their subordinates (College representative 1).

For the purpose of this paper, I have prioritized positions based on their responsibilities for fundraising and donor relations as opposed to supporting roles. The positions to be further examined include; leadership, technology and research, marketing and communication, development, and alumni and donor relations.

(1) Leadership

The President of Advancement, sometimes referred to as the Vice President of Advancement or Foundation President, leads the foundation in their strategies to engage and fundraise for the university. For the purpose of this project, this individual will be referred to as leadership. It is the responsibility of leadership to ensure goals are realistically set and then reached in a timely manner. Often times, this individual may serve as a "face" to the university in the amount of events they attend and the number of individuals they engage with (College representative 2).

Leadership oversees and is responsible for the work of the functional groups at the university foundation. While more can be identified at various foundations, the Technology and Research, Marketing and Communications, Development, and Alumni and Donor Relations

functions are further explained below. These groups symbolize four pillars that ensure university foundations are engaging with different populations while always looking to the future. Within each of these functions, there may be one or more lead supervisor who directly reports to leadership. This functional group leader may also have direct reports below them in more supporting roles. These reporting relationships can be seen through solid lines on an organization chart (College representative 1).

(2) Technology and Research

The Technology and Research department oversees individuals and projects related to system databases, donor prospect research, and information security. The Technology and Research lead supervisor will be responsible for communicating messages, projects, and concerns from the department to leadership, just as leadership will give direction for this department and pass it down via the lead supervisor. One of the responsibilities of this department is to ensure databases include all updated alumni and donor names and personal information. This database and report information systems and software should be accessible and understandable to any and all foundation employees who need to use this data in their own work. This group is also responsible for determining new major gift donors and additional funding resources through research and tracking systems. Another critical responsibility for this department is to ensure all information and data is secure and backed up. Security is very important when dealing with donors' personal financial information (College representative 1).

(3) Marketing and Communication

The Marketing and Communication department oversees the planning, design, and execution of all communication materials along with foundation social media and website content. This group ensures that the print materials and online resources are updated with current

information and fundraising numbers. In order to stay updated, employees must communicate with various other teams at the foundation. With direction from leadership, this functional group also strategizes messages to push out to various audiences. This department must understand how to effectively communicate information or donation asks to alumni, families, and community members. Maintaining university mission and priorities is crucial in all media pushed out to the public and it is up to this team to ensure all standards and values are upheld (College representative 1).

(4) Development

Usually the largest department within the university foundation is Development. This team consists of multiple development officers and their supportive administrators who focus on creating and maintaining relationships with donors groups. As mentioned previously, these groups are determined by geographic region, colleges by degrees, and other categories. Development is commonly led by a Senior Director, or lead person, who has experience as a professional development officer and can effectively communicate strategy and vision to their diverse group. The Senior Director and development officers communicate with leadership to prioritize donor groups, individuals, and programs that need funding. University development officers should expect to work extensively with the donor relations and alumni team to be best informed about who they are talking to on visits and how to effectively engage them. Individual gift proposals should be developed and prepared ahead of meetings along with developing timeline estimates for cultivating and soliciting gifts (College representative 1).

There are supporting functions within Development that have specialty responsibilities that include; corporate relations, major gifts, annual giving, athletics, and planned giving. These functions work to secure corporate partnerships for the university and athletic teams, and large

individual donor funds to be used around the institution for naming rights on rooms, departments, or buildings. Other functions of this team include developing annual campaign programs and incentives to retain donors year after year as well as build the value of their gifts (College representative 1).

(5) Alumni and Donor Relations

Another integral function within university advancement would be the Alumni and Donor Relations department. Typical roles include alumni engagement coordination and communication, donor stewardship and a planning special events and class reunions. Responsibilities between these roles can be quite broad and overlap as there are always new stewardship requests and gifts and donors to acknowledge. The department works together to collect and provide best practices and methods to stewarding current donors and engaging prospective ones. Alumni are contacted soon after undergraduate commencement to stay informed as to what news is occurring around the institution after they have left and how alumni can still stay engaged through events and programs.

Many donor relations staff prioritize working with and engaging current students in philanthropy as well as connecting alumni back to their alma mater. The two donor relations staff spoken with for this project added to the previous responsibilities by stating that their priorities involve; “personally stewarding the top tier donors to the institution, progressing mid-level donors to higher gifts, and planning and facilitating all events that are targeted to organization donors and prospective donors” (College representative 3).

The Alumni and Donor Relations function will work extensively with development officers to stay updated on gift levels and stewardship practices to ensure accuracy and follow-through (College representative 3). Donor stewardship comes in the form of many personal

touches ranging from intimate handwritten notes from gift beneficiaries to ceremonial building dedications. Cicone and Jacob (1997) believe that donors should always “be informed of how their gift was used to support an organization’s mission” by written thank you notes and copies of the annual report (p. 280). Stewardship and connections can also come in the form of donor dinners and alumni class reunions. These events show appreciation and recognition to constituents and further enhance relationships between alumni with their alma mater.

2. b. University Examples

For the purpose of this paper, I examined the MAC university foundation office structures and made comparisons to other Indiana institutions’ foundation offices. The other example institutions consisted of both private and publicly funded institutions. Student populations range between schools, but they are all located within the state of Indiana. Provided in the Appendix, Figure 3 and Figure 4 are general structures of private Indiana universities with \$500+ million endowments as well as for public Indiana universities with \$1+ billion endowments.

2. b. i. Mid-American Conference

The MAC conference consists of twelve schools. The MAC conference was chosen as these institutions are near in location to the source of this project. These institutions are also all similar in student population size, endowment size, and distinguished in research and scholarship. From my analysis of their organizational structures around the twelve (MAC) university foundation offices, there are similarities between them all. These offices range from 19 to 108 employees with an average of 51 people working to increase university funding and effectively communicate with donors. This analysis is formatted as a table in Table 2 within the Appendix. Hierarchy structures are easily identified in these development offices with an

Executive Director or Vice President of Advancement leading the team. Below the overall director are four sublevels: development, donor and alumni relations, marketing and communications, and technology and research. Within each of these sublevels are more specific roles that are seen in most MAC development offices. Titles may vary from one school to another but the roles and responsibilities remain consistent. There is a supervisor leading each of the functional groups who then all report to leadership. As seen in Figure 2, there is an organizational structure that can be identified in all of these MAC-specific foundation offices. There are supporting functions that report to one of the four function supervisors. Individual contributors are responsible for special programs and projects that report to either an advancement team manager or leadership. Usually the individual contributors have few to no direct reports

2. b. ii. Private Indiana Universities

Figure 3 represents the organizational structure for a private Indiana university foundation office. More specifically, the school analyzed for this study had a \$500+ million endowment. The four functions for this organizational structure include three of the same from the MAC structure - Data and Research, Development, and Marketing and Stewardship - but instead of Donor and Alumni Relations, this private university puts more of a focus on the function of Gift Outreach. Gift Outreach is commonly responsible for strategic and specific gifts from around the country, and the world. From my analysis, it appears that within this private institution their alumni may be physically located in more diverse areas around the globe compared to the MAC alumni.

Responsibilities within the Gift Outreach function include international advancement and campaign management. The international advancement role focuses on spreading awareness and

sources of funds geographically further than the major gifts and development directors would normally reach. Campaign management generally focuses roles and time into special projects, short and long-term, that raise funds within a set period of time. Since this role is time-sensitive, it is necessary to have a position solely dedicated to it (College representative 1).

By the nature of private universities needing to raise more private funding, it would make sense that their development office would have more employees. Another reason for this shift to a heavier development team could be that these private institutions' alumni may be earning a larger average salary than the alumni of MAC universities thus development officers have more resources and relationships to develop. The private institutions may have better-known and awarded academic or athletic programs that non-alumni would like to contribute funds to. This would fall under the role of these development officers to cultivate and solicit these funds.

2. b. iii. Public Indiana Universities

The last comparison group is of two public Indiana universities that each had endowments of over \$1 billion. With such large endowments, these structures have slight differences from those of the previous two examples. As these two institutions have larger student populations than the previous examples, the quantity of gifts and pledges that come in tend to be greater than the quantity seen at university with smaller student populations and endowments. Just as the private university had additional development officers, the larger teams are seen within these large public universities too. There are differences between the four functions of these offices compared to the MAC and private school structures. Seen below in Figure 4, the structure now includes five departments; Data and Research, Development, Gift Processing, Alumni and Stewardship, and Communications and Marketing.

Within the Data and Research function, there are many systems analysts and data specialists. This may be due to many large, public universities have their own custom donor software and databases. There is a need for many employees to know this software and communicate and collect information with those who need it. Within the Development department, again there is a large emphasis on the Directors of Development broken down by region or reunion class. There are also more individuals working to accumulate large, principal gifts for specific colleges and programs.

The responsibilities within the Alumni and Stewardship function have differed from the previous comparison groups, and more roles fill this departments due to the increased number of donors, alumni, and gifts. The Communications and Marketing department has also expanded to keep up with the demand in messaging and content being pushed out to constituents.

Unique to public institutions I found to be an additional Gift Processing department can be found within these public institutions' structures. This department has responsibilities that include ensuring corporate matches are processed, that is for donors whose employers match philanthropic donations come through accordingly. The investment management role handles the stocks, bonds, and mutual funds held within the foundation to ensure sustainable, long-term growth. Aside from estate planning under Development, the real estate role coordinates with alumni or friends of the institution who would like to give real estate to the university as a means of a donation. Finally, the internal auditors and paralegal hired to ensure that compliance and legal regulations are being followed in the handling of all of these gifts and pledges.

When compared to a general MAC structures, similarities and differences can be identified between the three different organization structures examined. The structures are represented in a functional level format, easily identifying four main functional groups within the

advancement team. The purpose of these functions and the positions within them vary from comparison group. This is due to different focuses and team roles depending on the fundraising levels and foundation constituents between MAC, public, and private institutions.

Section 3 – Performance Management in Development Staff and Fundraisers

3. a. Fundraising Performance Management

Fundraising requires juggling different roles and at times wearing a number of hats. These roles and job objectives should be clearly defined for the employee so expectations are established and can be measured. With proper education, training, experience, and professional development, a fundraiser should be prepared to succeed in the field. Once on the job, compensation and rewards must be appropriate to ensure employee motivation and retention with the organization. Performance criteria should indicate to the employees more information about the organization's goals, priorities, and expectations (Twomey & Twomey, 1992).

3. a. i. Fundraiser's Job Roles and Objectives

According to the Bureau of Labor and Statistics website (BLS.gov), fundraisers will organize events and campaigns to raise money and donations for their organization. In addition fundraisers may design promotional materials and raise awareness of the organization's work, goals, and financial needs (2015, "Fundraisers"). This brief summary of the job encompasses the priority roles of a fundraiser in any sector. While priority areas may differ between industries, roles generally do not change for higher education fundraisers because they have these same objectives for an organization (College representative 1).

For consistency reasons, this project refers to "fundraisers" as "development officers." An example of essential responsibilities from a job description for a university development

officer can be found in Exhibit 6. It is the development officer's responsibility to raise funds for an institution, but do so sustainably and with intention. The promotional materials must relate to potential donors and explain information they are looking for. The information could be scholarship student stories, needs of specific programs, or alumni giving groups.

BLS.gov further explains a development officer's work activities include:

- *Create a strong fundraising message that appeals to potential donors*
- *Identify and contact potential donors*
- *Use online platforms to raise donations*
- *Organize a campaign or event to solicit donations*
- *Maintain records of donor information*
- *Ensure all legal reporting requirements are satisfied* – (2015, "Fundraisers")

All of these activities are pertinent to the job and could be further emphasized for higher education fundraising. Building relationships with university administration, alumni, donors, and community members is very important to a university development officer's role. They must understand various constituent perspectives and build trust. BLS.gov described a development officer to be relationship-focused to maximize connections and funds for the organization (2015 "Fundraisers"). The development officer I spoke with who works for a university agreed with that statement. They shared that relationships drive engagement and genuine connection with university development (College representative 1).

A development officer is responsible for developing gift proposals to present to donors and administration. These documents convey the purpose for the gift, the amount, and logistics pertaining to payment, recognition, and future requests. Before presenting a final proposal to a donor, the development officer must develop the purpose over the course of conversations between university administration and the donor. Business and market strategies must be developed by development officers so the advancement team overall is maintaining organization mission, emphasizing the focus points, and growing in resources. Maintaining a database is very

important to a development officer's role because it is important to record all updated donor activity, calls, and gifts. The database records donor giving potential, history, and connections as well. All of this data can be utilized to continue to grow a foundation network and donor populations (College representative 1).

University development officers will need to know how to communicate their work to the individuals they report to. These constituents would include college deans, university president and vice presidents, as well as the board of trustees. Unlike working with individual donors who have unique wishes and wants for how they are stewarded, university administration expects formal reports and analytics on funds raised by the officers. This could be in the form of the university foundation's annual report, overall, specific program fundraising reports, scholarship success stories that can be marketed, and thank you notes from students acknowledging the difference that was made through donor gifts (College representative 1).

Development officers for higher education institutions more than ever must serve as a donor steward. BLS.gov also described a development officer's role is to steward donors through explanation of the purpose, donor recognition, and all details surrounding the gift (2015 "Fundraisers"). As donor dollars increase, gifts become more monetarily and sustainably valuable to the institution. It has already been established that a key aspect to a development officer's role is relationship building and Ciconte and Jacob (1997) believe that the most important relationship to be developed is that with the donor. The donor must trust the development officer to maintain contact and report on how the gift was used to support the institution's mission (280). There are endless ways to show gratitude and appreciation to donors, but the officer who has built the personal relationship will decide the most suitable actions depending on donor personality. The university development officer shared these stewardship

practices and listed that the donors they works with are interested in “student engagement, public recognition, personal acknowledgement, and event invitations” (College representative 1).

Fundraising can take place outside of the roles within university foundations, too. Dynamic employee relationships form between functional groups around the university institution. When it comes to fundraising for college specific programs, scholarships, and priority areas, the dean has an expectation to fundraise. According to one college dean, their fundraising role is to manage current donors and ensure engagement and retention. Building trusting relationships with donors is very important. The dean explains, “People give money to people they trust, to take care of the funds...it is all about relationships” (College representative 2).

Once a college has secured funding for specific areas, it is up to the dean to ensure that the funds are used and used according to the donor’s wishes. This stewardship process relies on the relationship between the donor and gift beneficiary according to one dean, “Stewardship needs to come from the beneficiary of the fund” (College representative 2). For example, if a donor awarded a scholarship, a thank you note should be written and sent by the student recipient of the funds. If a donor awarded research funding to faculty, the faculty should demonstrate appreciation and usage of the award.

3. a. ii. Fundraising Career Expectations

According to BLS.gov, people can enter into fundraising with a variety of education backgrounds. However, BLS reports most employers hired candidates with at least a bachelor’s degree, and more candidates who have a degree in public relations, journalism, communications, English, or business (2015 “Fundraisers”). In addition to having a degree, a fundraising candidate must have “a considerable amount of work-related skill, knowledge, or experience”

(2015 “Fundraisers”). This experience could come through other jobs that involved coordinating, supervising, managing, or training others. Essentially, prior roles should prepare a development officer to be able to multi-task, handle confidential information, and develop action plans to achieve goals.

(1) Formal Education and Preparation

With regards to job training, employees usually need many years of work-related experience and on-the-job training. Although at this time it is rare to find fundraising-specific undergraduate degrees, there are more institutions establishing non-profit management and philanthropic courses and graduate programs as the need continues to grow. Course topics may include annual campaigns, planned giving, major gifts, grant proposals, and marketing. Without a specific fundraising or non-profit degree, candidates should still be able to find work. One development officer shared that taking courses in fundraising and philanthropy are beneficial to learning the professional field and there are professional conferences and workshops specifically available to “newcomers” in university fundraising (College representative 1).

(2) Gaining Experience

Outside of the classroom, volunteer and internship experiences are extremely valuable to employers. Beginning at the undergraduate level, students should engage in campus organizations and activities. Most student organizations will need to raise funds for its operational expenses. It is up to the student organization how to raise these funds, but this decision can prepare fundraising candidates for future professional decisions. Many student organizations, such as Greek organizations, also have a philanthropic organization they support with an annual event. The students may volunteer with that non-profit, host events, spread

awareness, and raise funds. As students grow in their student leadership, their responsibilities and experiences grow with these philanthropic and fundraising roles.

Non-profit or campaign volunteers may work with potential donors over the phone or face-to-face; both of which can be useful in a paid fundraising position. Internships can often lead to paid positions as well through the same organization or through new networks of development officers interacted with along the way. Both of these avenues lead prospective employees to network with a variety of current development officers, advancement leads, and other university constituents. These casual encounters allow professionals to engage with seasoned fundraisers as well as give back and learn about the organization they desire to work for. One development officer shared that volunteering would also help provide more understanding or context about the higher education and exposure to fundraising terminology, while also demonstrating passion for the work (College representative 1).

The donor relations staff shared that their preparation for their current role was rather informal and unstructured. Training and learning comes in the form of networking with community members, campus administration, and attending events that celebrate and recognize alumni and donors. Volunteering your time on a committee or board is also beneficial to learning more about the organization and their donors. The following were recommended to prospective donor relations staff looking to engage more with their alma mater, but also learn more about common practices and events:

- *Alumni Council*
- *Discovery Board*
- *Foundation Board*
- *College Advisory Board*
- *Department Advisory Board*
- *Alumni Ambassador*

(3) Certifications and Credentials

The Bureau of Labor Statistics states that certifications would demonstrate professional competency beyond what is obtained through education and experience. CFRE International offers the Certified Fund Raising Executive designation for development officers who have five years of work experience in fundraising, and 80 hours of continuing education through conference attendance and classroom instruction. This certification must be renewed every three years to remain valid (2015 “Fundraisers”). One development officer who has this certification shared that this accreditation also takes into account the amount of dollars the individual has raised over their career and really “sets you up as a leader in the field” (College representative 1).

3. a. iii. Measures and Metrics

In any business, performance evaluations should be conducted. These evaluations should include objective criteria as much as possible, but subjective criteria are often used depending on the situation. In regards to fundraising there are different avenues that this can be accomplished. Hodson and Speck (2010) list traditional performance criteria for nonprofits may include: dollars raised, number of calls made, and number of proposals submitted. These measurements are objective and evidence based. These measurements can be collected as often as organizations determine necessary. Gillikin (2017) describes the difference between the two as subjective measures are those that are not easily measured and there are few discrete metrics. Subjective categories could include professionalism and teamwork and the employee is rated on a perceived performance. Alternatively, objective measures defy interpretation and can be discretely measured. Categories include specific job actions and numerical goals. Performance management in higher education foundations is based on several subjective and objective

measures. Supervisors should look to the overall objective of a performance management review and see if individual performance aligns with the organization's performance.

Performance measures and metrics are simple to determine with development officers as there are many quantitative metrics that can be assessed. The development officer shared that they are formally reviewed annually, but are regularly communicating and updating timelines and goals with their supervisor. What is more common is for individual development officers to be evaluated on these metrics every quarter followed by formal review each year. Calls made show that the development officer is extending their reach, making an effort with a variety of prospects, and working toward the next steps in asking, then finally confirming a gift. Proposals submitted demonstrates that the development officer is not only just making calls and relationships with prospective donors, but they are also following up with a strategic ask (College representative 1).

The staff spoken with for this project shared that they are evaluated using the same form as the rest of the staff within the university and that the measures have not changed in the past five years. One positive for this consistency is that employees know what they will be measured on every year, but one downfall would be that the evaluation does not take into account changes around the job roles and function. As qualitative measures are more difficult to be measured objectively, all evaluations are subject to the personal bias and perception of the individual evaluator (College representative 3).

The college dean shared that performance management for deans at their institution is rather subjective in measurements and difficult to determine metrics for. Performance measures and metrics is challenging to apply uniformly across all colleges, as each one has different priorities and importance. While there should be an expectation to engage with alumni of the

college, as well as cultivate and steward gifts, not all deans have the personality to make fundraising a high priority. Some colleges find that their alumni have a larger capacity to give due to their profession and industry over another college's alumni. For instance, the business college alumni are more likely to have different resources than alumni of the teacher's college. All deans put their students' priorities above all else, though and continue to work diligently to always ask "What is best for the students?" (College representative 2).

3. a. iv. Motivators and Rewards

As more individuals are being drawn to fundraising and mission-based careers, motivations and rewards may shift. While monetary compensation is still valued by employees in fundraising professions, organizations are finding that their employees are also driven by intrinsic rewards. Selden and Sowa (2011) have found that fundraising staff value formal feedback about performance, receiving regular coaching, and receiving training when weaknesses are identified. Employees must also feel that performance evaluations are clear and fair (p. 256). With proper motivation and compensation, employees in higher education are likely to have higher job satisfaction. This benefits not only the employee but also the employer as there is less turnover and negative reputation. With regards to employee motivation, Muchinsky (2003) explains that motivation is a determinant of behavior. An employee determines "what they *will* do only after considering what they have the *ability* to do and what they are *allowed* to do" (p. 374). Motivation can stem from organizations properly describing job qualifications as to what the individual is able to do, along with properly describing the requirements of the job as to what the individual is allowed to do.

(1) Outlook

Fundraising is a growing career sector the Bureau of Labor Statistics indicates that overall, the job outlook from 2014-2024 is growing at 9% (faster than average) and will add almost 7,000 jobs in that time frame. This growth stems from nonprofit organizations continuing to pop up and develop all over the world. These organizations need to collect donations in order to continue operating, so they will look to fundraisers (2015 “Fundraisers”). Nonprofits are also depending on fundraising professionals as the organizations are continuing to receive less funding and financial support from the government. This funding cutback is especially true within higher education institutions. A current development officer for a public institution has seen state funding for their institution be drastically reduced over their many years at the organization and feels that their role in fundraising is more needed than ever. This development officer believes that as long as organizations are operating and developing there will “always be a need for fundraisers” (College representative 1)

(2) Rewards and Compensation

With fast growth and high interest, employers need to be able to motivate development officers to join their organization. Robbins and Judge believe that there are four components to rewarding employees and boosting motivation. Organizations must determine (1) what to pay in terms of base salary, (2) how to pay based on skill-level or variable determinants, (3) what benefits to offer, and (4) recognition program structure (p. 99).

The first component – salary pay – should take into account both internal equity and external equity. That is, what is the job worth to the organization, and what is the competitiveness of the job’s pay relative to pay at outside organizations (p. 99). According to Masterson, and Sabatier (2008), salaries for upper-level fundraising positions in recent years have increased by 25%. Salaries for the highest profile of positions within development easily

exceed \$150,000. Salary pay determinants can fluctuate between organizations and their determined pay program. Robbins and Judge (2011) describe the example of a variable-pay program, which bases “a portion of an employee’s pay on individual measure” as well as organizational measure. These factors “fluctuate from period to period which would result in payment earnings fluctuating as well.” One type of variable-pay program seen in university foundations is that of merit-based pay plans. These plans pay for individual performance based on appraisal ratings, thus high performers may see higher earnings. Another type of variable-pay would be bonuses. A bonus may be given to employees as “a reward of recent performance and adds to their total payment for the year” (p. 100). Compensation structures within higher education fundraising can be challenging to determine as salaries based on commission is typically frowned upon as this is outside of the average for-profit sales position (College representative 1). These two types of compensation programs can be used to approach higher education development officers for their annual performance.

Development officers are also being incentivized to stay with the organization by offering flexible benefit packages and intrinsic rewards. Robbins and Judge (2011) describe the advantage to flexible benefit packages include allowing employees to choose benefits based on individual needs and situations. Necessary benefits differ between single working individuals and those who have a spouse and children to provide for.

Intrinsic rewards are the final component to be considered for employee motivation and compensation. These rewards come in the form of employee recognition. Programs range in complexity with something as simple as private verbal appreciation from a supervisor, or as public as a formal recognition event celebrating an individual or group of employees (Robbins & Judge 2011). One university staff person agreed that these intrinsic rewards are very important in

motivating employees. People value building relationships with their supervisors, organization leaders, and coworkers (College representative 3).

Self-motivation to move up within the organization is another motivator found in many employees in higher education fundraising. The drive to move around functional groups to gain experience and knowledge while also expanding professional networks is very rewarding. According to a donor relations staff member, there are always many opportunities to grow within university fundraising even outside of development officer roles (College representative 3).

(3) Retention

Nonprofits not only compete for donations and funding, but also labor and personnel. Retention within university fundraising is a struggle across the country as development officers are recruited to join organizations for higher-paying positions. One development officer shared that it is common knowledge in the fundraising sector that development officers are usually in one position with an organization for just 1.5 to 2 years on average. This length of time was agreed to by donor relations staff when discussing fundraising retention rates (College representatives 1 & 3). This agreement between university foundation functions shows that development officer turnover is a common issue for these higher education organizations and is anticipated at this point. These organizations are looking for internal feedback from their own development officers and external feedback from organizations threatening to entice development officers to reduce the high turnover rates.

One way to combat this issue is through promotions. As more non-profits come into the sector and compete for donor dollars, development officers move up to “larger profile gifts and campaign responsibilities” (Masterson & Sabatier (2008), p.3). These promotion opportunities can be built upon a tiered development officer structure. Entry-level officers with little

experience may work their way up to more senior positions with larger donor responsibility. One university development officer suggested that tiered structures would definitely help to combat this turnover issue and increase employee motivation to continue working diligently (College representative 1).

Appendix

Table 1. Interviewee Role and Paper Reference

Development officer	College representative 1
College dean	College representative 2
Donor relations staff people	College representative 3

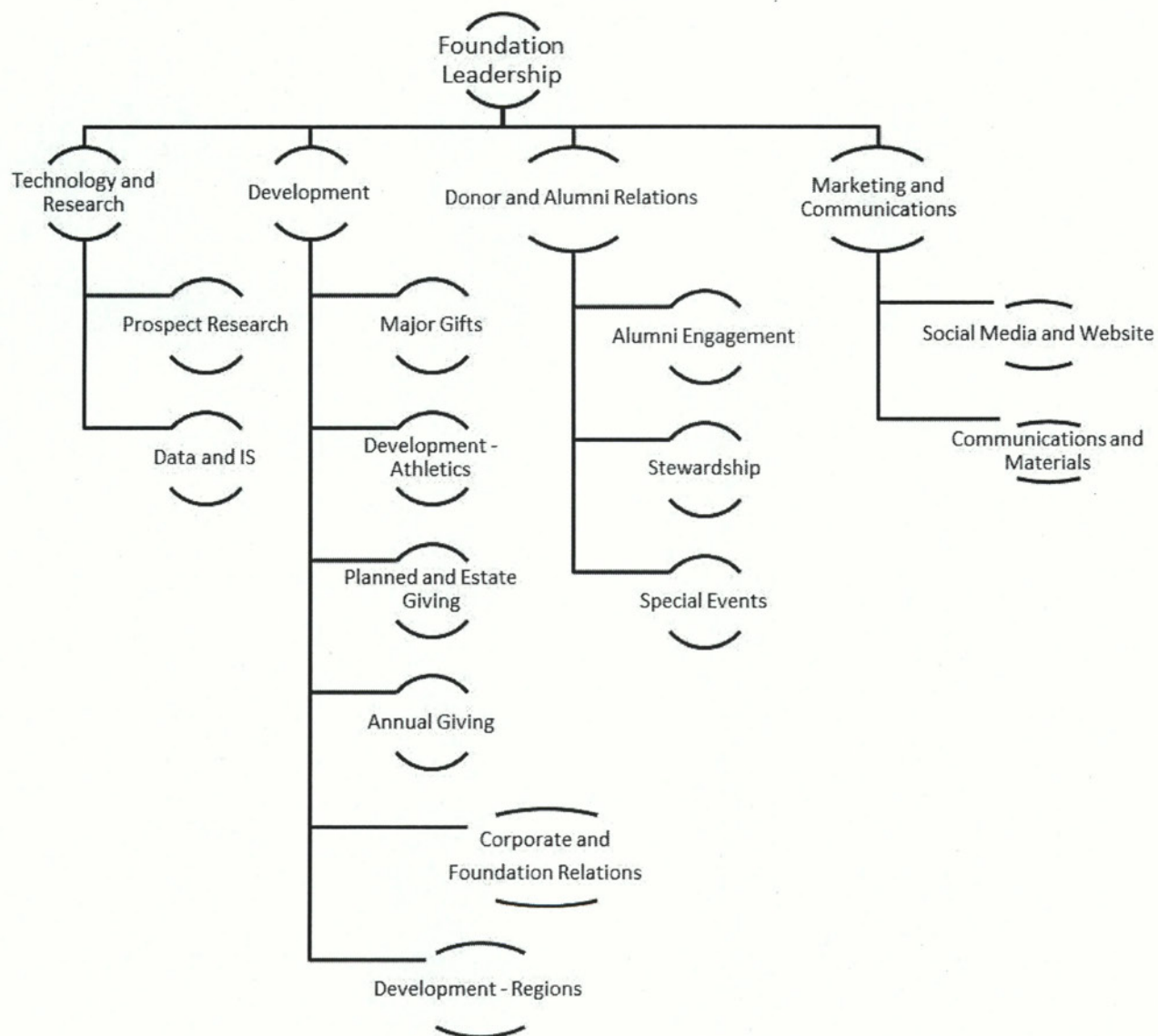
Note: For this thesis, interviews took place to provide further support to the text. These interviews were with a college development officer, a college dean, and two donor relations staff from a university foundation office. The table shows their corresponding references used in the paper.

Figure 1. Typical University Organization Chart



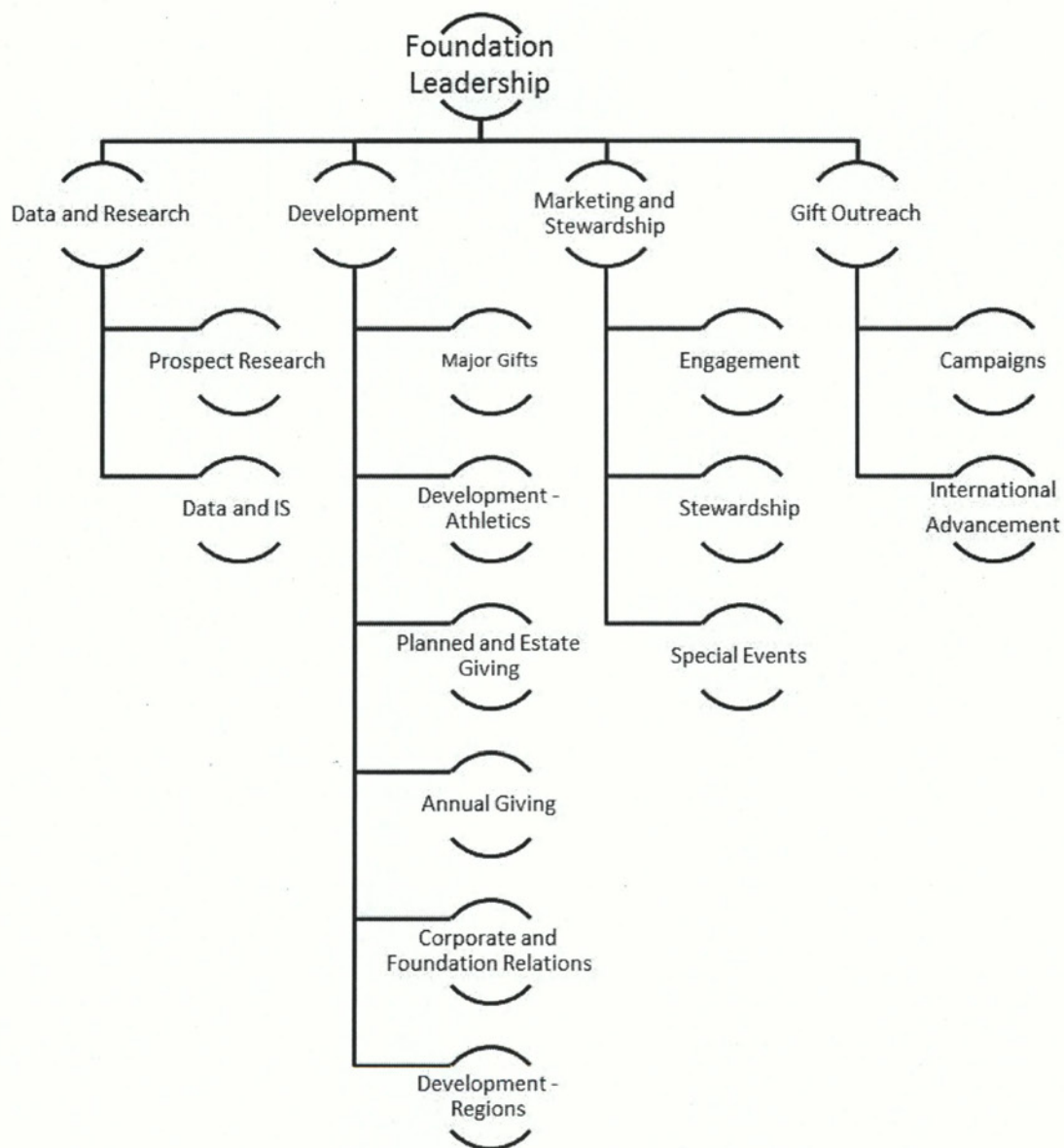
Note: General higher education organization structure divided among functional groups, reporting along chain of command (2014 “Organization Structure”).

Figure 2. MAC Conference Foundation Offices Organizational Structure



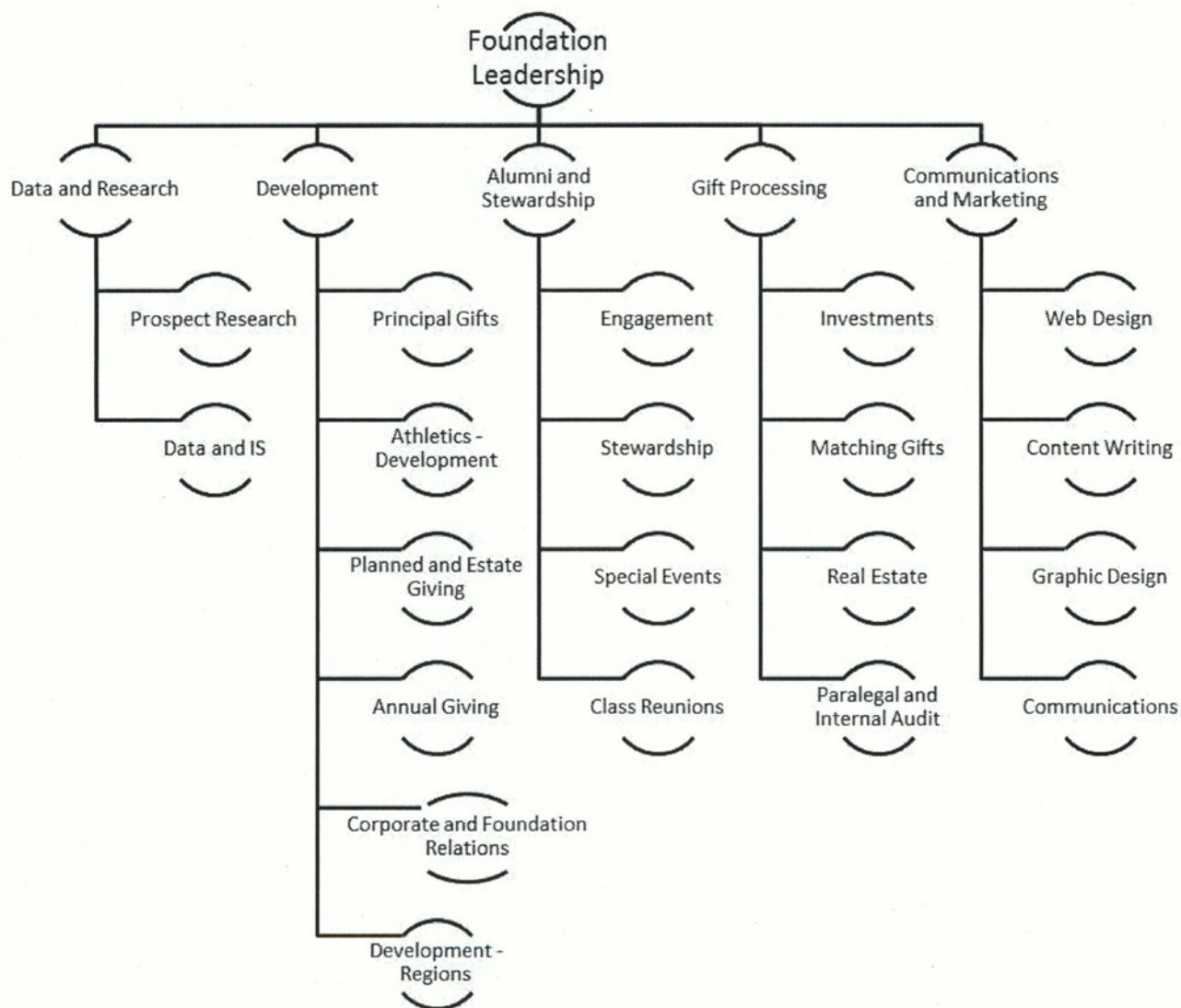
Note: This figure was constructed from the information gathered from the 12 MAC institutions' websites and their staff listings.

Figure 3. Indiana Private University Foundation Offices Organizational Structure



Note: This figure was constructed from the information gathered on one private Indiana institution's website listing foundation staff

Figure 4. Indiana Public University Foundation Offices Organizational Structure



Note: This figure was constructed from the information gathered on two public Indiana institutions' websites listing foundation staff.

Exhibit 1. Development Officer Job Posting

Essential duties for a university Development Officer, taken from job posting on university website (Allenby, 2017).

1. Develops revenue and donor goals; develops and implements effective fundraising programs for each assigned class or constituency, including external personal visits, personalized written campaigns, phonathons, social media, direct mail, and email.
2. Recruits, trains, and manages a substantial group of alumni volunteers; creates communications to large number of volunteers; supervises mass mailings to volunteers; informs volunteers of updated information and deadlines; evaluates individual donor and volunteer needs and provides other personal support. Has the authority to represent the University to alumni donors and volunteers.
3. Advises, educates, and solicits potential alumni donors through external face-to-face meetings, phone contacts, and written communications.
4. Monitors, on a weekly basis, annual giving solicitation strategies as well as participation and dollar goals for all supported classes. Identifies opportunities/needs to adjust strategies in order to reach fund raising goals. Implements new and modified strategies as needed.
5. Continually reviews alumni donor profiles to identify potential top annual donors and determines individual solicitation strategies.
6. Develops, fosters and maintains positive alumni relations to keep alumni engaged and disposed to give back to the University.
7. Coordinates special annual programs with a targeted focus.
8. Plans and attends meetings and events on and off campus.
9. May perform other duties as assigned.

Table 2. MAC University Foundation Staff Totals

Name	Staff number
University of Akron	19
Ball State University Foudation	98
Bowling Green State University Foundation	37
University of Buffalo	32
Central Michigan University	30
Eastern Michigan University Foundation	23
Kent State University	108
Miami University	55
Northern Illinois University	36
Ohio University	77
University of Toledo and Foundation	65
Western Michigan University	36

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Office of Research Integrity
Institutional Review Board (IRB)
2000 University Avenue
Muncie, IN 47306-0155
Phone: 765-285-5070

DATE: April 6, 2017

TO: Sara Binkley

FROM: Ball State University IRB

RE: IRB protocol # 1054335-1

TITLE: Development Practices at University Foundations

SUBMISSION TYPE: New Project

ACTION: APPROVED

DECISION DATE: April 6, 2017

REVIEW TYPE: EXEMPT

The Institutional Review Board reviewed your protocol on April 6, 2017 and has determined the procedures you have proposed are appropriate for exemption under the federal regulations. As such, there will be no further review of your protocol, and you are cleared to proceed with the procedures outlined in your protocol. As an exempt study, there is no requirement for continuing review. Your protocol will remain on file with the IRB as a matter of record.

Exempt Categories:

	Category 1: Research conducted in established or commonly accepted educational settings, involving normal educational practices, such as (i) research on regular and special education instructional strategies, or (ii) research on the effectiveness of or the comparison among instructional techniques, curricula, or classroom management methods.
X	Category 2: Research involving the use of educational test (cognitive, diagnostic, aptitude, achievement), survey procedures, interview procedures or observation of public behavior
	Category 3: Research involving the use of educational test (cognitive, diagnostic, aptitude, achievement), survey procedures, interview procedures, or observation of public behavior that is not exempt under category 2, if: (i) the human subjects are elected or appointed officials or candidates for public office; or (ii) Federal statute(s) require(s) without exception that the confidentiality of the personally identifiable information will be maintained throughout the research and thereafter.
	Category 4: Research involving the collection of study of existing data, documents, records, pathological specimens, or diagnostic specimens, if these sources are publicly available or if the information is recorded by the investigator in such a manner that subjects cannot be identified, directly or through identifiers linked to the subjects.

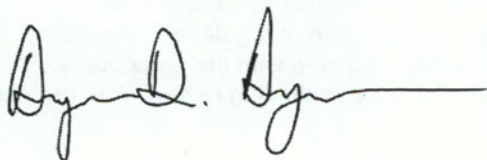
	Category 5: Research and demonstration projects which are conducted by or subject to the approval of Department or agency heads, and which are designed to study, evaluate or otherwise examine: (i) public benefit or service programs; (ii) procedures for obtaining benefits or services under those programs; (iii) possible changes in methods or levels of payment for benefits or services under these programs.
	Category 6: Taste and food quality evaluation and consumer acceptance studies, (i) if wholesome foods without additives are consumed or (ii) if a food is consumed which contains a food ingredient at or below the level and for a use found to be safe, by the Food and Drug Administration or approved by the Environmental Protection Agency or the Food Safety and Inspection Service of the U.S. Department of Agriculture.

Editorial Notes:

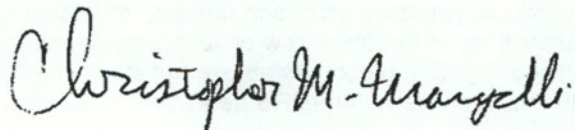
1. N/A

While your project does not require continuing review, it is the responsibility of the P.I. (and, if applicable, faculty supervisor) to inform the IRB if the procedures presented in this protocol are to be modified or if problems related to human research participants arise in connection with this project. **Any procedural modifications must be evaluated by the IRB before being implemented, as some modifications may change the review status of this project.** Please contact (ORI Staff) if you are unsure whether your proposed modification requires review or have any questions. Proposed modifications should be addressed in writing and submitted electronically to the IRB (<http://www.bsu.edu/irb>) for review. Please reference the above IRB protocol number in any communication to the IRB regarding this project.

Reminder: Even though your study is exempt from the relevant federal regulations of the Common Rule (45 CFR 46, subpart A), you and your research team are not exempt from ethical research practices and should therefore employ all protections for your participants and their data which are appropriate to your project.



Bryan Byers, PhD/Chair
Institutional Review Board



Christopher Mangelli, JD, MS, MEd, CIP/Director
Office of Research Integrity